


Standard 1: The student will describe the importance of earning an income and explain how to manage personal income using a budget.

Jobs vs. Careers

Priority Academic Student Skills

Personal Financial Literacy

Objective 1.1: Evaluate how career choices, educational/vocational preparation, skills, and entrepreneurship affect income and standard of living (e.g., postsecondary degree/certification, needs versus wants, and ability to live on less than you earn). 



Lesson Objectives

- ⇒ Differentiate between jobs and careers.
- ⇒ Explain the impact of education on income.
- ⇒ Explain human capital.

Personal Financial Literacy

Vocabulary

Career: A purposeful course of action or purpose in life that generally provides income.

Earned income: Money received for work performed; may include salary, wages, tips, professional fees, commissions, etc.

Human capital: The health, education, experience, training, skills and values of people. Also known as human resources.

Felicia and Phillip live next door to each other and have been best friends ever since his family moved into the neighborhood.

A few years ago, they started working together to earn spending money by raking leaves and pet-sitting. Their business, now called WeWork4U, has expanded to mowing yards, running errands, and other services.

Felicia wants to be a teacher and is saving her money to go to college. Phillip sees no reason to go to college. They are making good money in their business, and he wants Felicia to continue the business with him. Phillip says going to college is a waste of time and money.

Felicia is disappointed that Phillip does not see the value of education.

If they come to you for advice, what would you tell them?

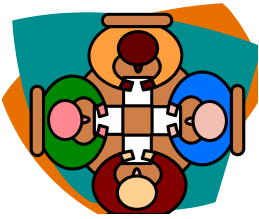
Human capital investment: Investment of time, effort and resources in education and training—to increase one's own knowledge, skills, health, etc., or to develop those assets in others.

Income: Payments earned by households for selling or renting their productive resources. May include salaries, wages, interest and dividends.

Job: A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

Labor: The quantity and quality of human effort available to produce goods and services.

Introduction



Different individuals have different skills and abilities, but everyone can improve the quality of those skills and abilities through education. For some, that educational experience may be formal (e.g., college or vocational training) or more informal (e.g., on-the-job experiences). In either case, the primary purpose is to earn an income to meet one's basic needs and pursue their financial goals.

Having a college degree does not guarantee financial success but pursuing an education does tend to increase a person's income. For women, the gains from a college degree are greater than for men. But having a degree or a set of skills is only part of what is required to find employment. Entering the job market today can be challenging and requires effort.

Lesson

What are your plans after high school? What jobs or careers have you considered? Are you aware of what that job or profession pays and what requirements are needed to be employed? Why did you make that choice?

These are just some of the questions to consider when planning the rest of your life. While it may not seem important today, having a sense of direction is

TEACHING IDEAS

The multimedia presentation for this lesson outlines the content in this section. You may want to use it with your students, or print off the slides to use as lecture notes.

one of the key factors in building financial independence. Having an income is what allows you to buy the things you want and need. Making a choice about a job or a career can also determine how much you can buy and how comfortably you can live.

A **job** is anything that has to be done and provides income to meet an individual's basic needs. In general, it allows a person to go to work and draw a paycheck. Few people, however, feel passionate or committed to a job. It does not necessarily make you want to get up in the morning, take an interest in what you do, or provide you with fulfillment. A job provides the basics—cash and an activity.

A **career**, on the other hand, is a profession or vocation that is pursued as your life's work. While it meets the basic definition of a job by providing income from employment, it is much more. A career allows you various opportunities for advancement, for personal growth, for personal challenges and for personal satisfaction.

Both jobs and careers require choices—and those choices have both costs and benefits. What are some of the choices you need to make when deciding what type of employment you want? List those choices here.

TEACHING IDEAS

Have students get job/career ads from newspaper, selecting three that would be a job and three that would be a career. Ask them to explain why they decided if it was a job or a career.

Have students brainstorm a list of 10 jobs and then 10 careers. Determine the level of education necessary to succeed in each position.

- 1.
- 2.
- 3.
- 4.
- 5.

What do you think would be some of the costs and benefits of a job or a career? For example, a cost of being a doctor is the number of years you have to stay in school to complete all of the requirements; another cost is the actual expense paid to attend medical school. Being a doctor, however, also has benefits. Some of the benefits include making a good salary when you finish medical school and having a career that helps a lot of people.

**COMPLETE: Jobs vs. Careers – Activity 1.1.1**

- Hand out this activity to your students and review the answers with them before proceeding.
- Ask the following questions:
 - ▶ What did you learn from this activity?
 - ▶ Does it influence the jobs or careers you have considered?

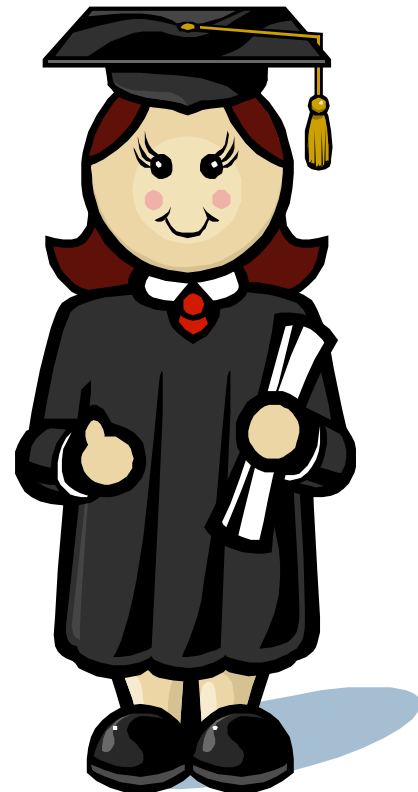
Human Capital

Whether you choose a job or career, it is important to review your skills, abilities, experiences, and interests because they will help determine how successful you are with your choice.

Those skills, abilities, experiences, and interests are called **human capital**. They are the resources you take to work with you and will be important in determining the amount of income you have.

Building your human capital is a continual process. So, how can you improve upon what you have today?

One of the best ways is education. Education allows you to increase your knowledge, your skills and your access to better paying occupations.



The following table shows the average income level in the United States for individuals with different levels of education:

Educational Level	Average Annual Income (in dollars), 2004	
	Male	Female
Less than 9th grade	22,070	14,008
High school		
9th to 12th grade (no diploma)	22,795	13,519
High school graduate	34,050	21,923
College		
Some college, no degree	37,561	22,896
Associate degree	44,130	29,208
Bachelor's degree	63,753	38,766
Master's degree	84,017	50,547
Professional degree	137,050	70,812
Doctorate degree	104,848	68,191
Bachelor's degree or more (total)	75,719	43,853

Source: U.S. Census, 2007

Using the data in this table, calculate the difference in income for a high school graduate compared to a college graduate with a bachelor's degree for the next ten years. Then calculate the difference in income for a college graduate with a bachelor's to those with higher levels of education (master's or more).

(Note: These are national averages and the levels of income will vary greatly for different jobs and professions AND for different locations. You may want to research more information on jobs, careers and income in your community. Also, females still earn about 80% of what males earn—regardless of education and profession. You may want to research some of the reasons for this difference.)

Males

HS Diploma	\$34,050		Bachelor's Degree	\$63,753
Bachelor's Degree	\$63,753		Bachelor's Plus Average	\$75,719
Difference	\$		Difference	\$

Females

HS Diploma	\$21,923		Bachelor's Degree	\$38,766
Bachelor's Degree	\$38,766		Bachelor's Plus Average	\$48,853
Difference	\$		Difference	\$

As you can see, the more education you have, the greater your potential income. Going to college or getting a degree beyond a bachelor's takes a lot of time, energy, and commitment. It also can be expensive.

TEACHING IDEAS

Have students compute the average income for males and females or find the percentage of income for women at each level. They could also calculate more differences (e.g., bachelor's to master's).

Assign an individual research project for students to find information on their chosen jobs or careers and compare it with the national averages.

Review study on the benefits of education on society at www.collegeboard.com/prod_downloads/press/cost04/EducationPays2004.pdf.

Do you think the benefits of staying in school outweigh the costs? Why or why not? Answer these questions in the box below.

While formal education, like going to college, may have the greatest impact on your human capital, there are other ways to invest in yourself. For example, you may want to run for a student office at school, participate in volunteer activities, get a part-time job, or start your own business (e.g., lawn care services, baby-sitting services).

“One by one the solid scholars get the degrees, the jobs, the dollars.”

W.D. Snodgrass

QUOTE

Ask students to respond to the quote by Snodgrass included in their lesson. Do they agree or disagree with him? Be sure they can substantiate their answers.

Conclusion

Life is about making choices. Few choices will be more important than your ability to earn an income. That income will influence almost every option you have to meet your personal goals. It will help determine where you live, what kind of car you drive, and your lifestyle. Whether you choose a job or a career, some kind of continuing education will be required to build your human capital.

While many successful entrepreneurs have never gone to college, most of them do have a college education. As you can see from the information in this lesson, earnings are greatly increased for people who continue their education beyond high school.

Felicia sees education as an investment in herself, and it will help her achieve her dream of being a teacher. It will also provide the basis for building a successful career.

Phillip should consider taking business courses or getting a degree in business to help him learn more about owning and operating a business.



Have students go to <http://128.223.105.5/OK/start.aspx> to complete the online activity called Reality Check.

Encourage them to discuss their results with the class.

Ask how the activity makes them feel about their future.

Name: _KEY_ Class Period: _____

Jobs vs. Careers

Review Lesson 1.1

1. Identify three jobs and three careers. What do they have in common? How do they differ?
2. Discuss the cost and benefits of choosing a career instead of a job.
3. Explain different ways for people to build their human capital.
4. What is the value of staying in school?

Name: _____ Class Period: _____

Jobs vs. Careers

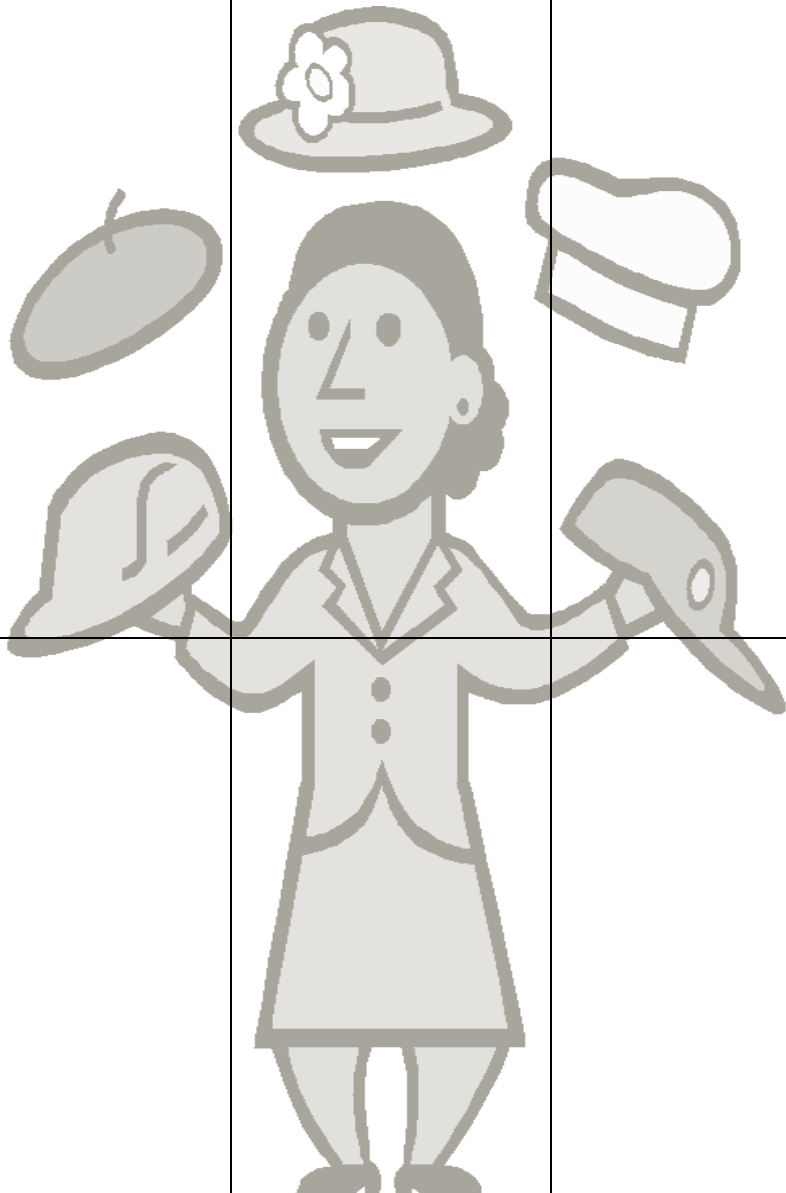
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Jobs vs. Careers – Activity 1.1.1

Make a list of jobs and careers in the first column. Identify the costs and benefits you see for each job or career listed.

	Examples	Costs	Benefits
Jobs			
Careers			

Additional Resources and Activities

⇒ Education's Impact on Income

- *It Just Adds Up* Lesson 5: Building Human Capital
www.econisok.org

⇒ Benefits of an Education

- *It Just Adds Up* Lesson 6: Earning an Income
www.econisok.org

⇒ Resumes

- Online Lesson Plans II - Exploring Careers Online - The Job Hunt
www.teachnet-lab.org/mbhs/ahorton/contents.htm

⇒ Interviewing Skills

- Online Lesson Plans IV - Exploring Careers Online - The Job Hunt
www.teachnet-lab.org/mbhs/ahorton/contents.htm

⇒ Career Education

- Career Education: Setting Your Students on the Path to a Valued Vocation!
http://www.educationworld.com/a_lesson/lesson/lesson160.shtml

⇒ Sources of Employment

- Online Lesson Plans I - Exploring Careers Online - The Job Hunt
www.teachnet-lab.org/mbhs/ahorton/contents.htm